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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

ZEROCLICK, LLC,
v.
APPLE INC.,

Plaintiff,
Defendant.

Case No. 4:15-cv-04417-JST

**PLAINTIFF ZEROCLICK, LLC'S
RESPONSE TO ORDER TO SHOW
CAUSE (DKT. # 129);
DECLARATION OF BRIAN
LEDAHL**

RUSS, AUGUST & KABAT

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13	<i>W.L. Gore & Assocs., Inc. v. C.R. Gard, Inc.</i> , 198 F. Supp. 3d 366 (D. Del. 2016)	2

Statutes

15	35 U.S.C. § 261	2
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2 **I. INTRODUCTION**

3 The Court's Order to Show Cause directed Zeroclick to submit a brief
4 regarding the chain of title of the patents-in-suit from 2017 until January 2020.
5 Zeroclick respectfully submits that all interest in the patents-in-suit was transferred
6 to Dr. Irvine prior to January 2020, either through an assignment dated August 30,
7 2017, prior to the time that Zeroclick, LLC (referred to by the Court as Zeroclick I)
8 was terminated in December 2017; or by operation of the transfer agreement dated
9 July 30, 2019, as clarified through the Amendment and Restatement of that
10 Agreement executed by both Granicus IP, LLC (the sole member of Zeroclick I)
11 and Dr. Irvine, the inventor of the patents-in-suit. Under either scenario, all
12 interest in the patents was transferred to Dr. Irvine prior to his reformation of
13 Zeroclick, LLC (referred to by the Court as Zeroclick II), and prior to his January
14 2020 assignment of the patents to Zeroclick II. In either event, Zeroclick, LLC
15 (Zeroclick II) is the current owner of the patents-in-suit and should, under the
16 reasoning of the Court's prior ruling, be substituted as the party plaintiff in this
17 action.

18 **II. CHAIN OF TITLE PASSED TO DR. IRVINE**

19 As noted above, all right, title, and interest to the patents-in-suit passed back
20 to the inventor of the patents, Dr. Irvine, at one of two possible times. For purposes
21 of clarity, we address each in turn.

22 **A. Transfer By 2017 Assignment**

23 As Dr. Irvine testified during his deposition, in 2017 issues arose in his
24 relationship with the individual involved in management of Zeroclick, LLC. Irvine
25 Deposition (Ledahl Decl., Ex. C) at 43:11-17; 67:3-23. On August 30, 2017, the
26 manager of Zeroclick, LLC executed an Assignment Agreement and Patent
27 Assignment on behalf of Zeroclick, LLC (Zeroclick I) transferring all interest in the
28 patents-in-suit to Dr. Irvine. Ledahl Supp. Decl., Ex. A. In parallel, Zeroclick

1 executed an Agreement terminating Dr. Irvine's grant of license to Zeroclick, LLC
2 of exclusive license to other, foreign patents and patent applications. Ledahl Supp.
3 Decl., Ex. B.

4 The Assignment Agreement and accompanying Assignment contained a
5 space for Dr. Irvine to execute those documents, but he did not do so. Irvine depo.
6 (Ledahl Supp. Decl., Ex. C) at 67:3-23. Notwithstanding the fact that Dr. Irvine did
7 not execute the assignment, applicable law indicates that the assignment was
8 nonetheless effective to transfer ownership. 35 U.S.C. § 261 provides that patents
9 may be assignable in law "by an instrument in writing" but does not suggest that
10 such a writing must be signed by the assignee. Courts hold that an assignment need
11 not be signed by an assignee to be effective. *See W.L. Gore & Assocs., Inc. v. C.R.*
12 *Gard, Inc.*, 198 F. Supp. 3d 366, 373-77 (D. Del. 2016) (holding that an assignment
13 signed by assignor but not assignee was nonetheless an effective transfer);
14 *Schwendimann v. Arkwright Advanced Coating, Inc.*, 2012 WL 928214, *4-*5 (D.
15 Minn., Mar. 19, 2012) (holding that even without a signature, an assignment could
16 be a written instrument under Section 261); *Bard Peripheral Vascular, Inc. v. W.L.*
17 *Gore & Assocs., Inc.*, 2009 WL 886514, *7 (D. Ariz., Mar. 31, 2009); *aff'd*, 670
18 F.3d 1171 (Fed. Cir. 2012) (holding that even an assignment not signed by the
19 assignor could potentially be effective because Section 261 does not impose any
20 particular requirement on the form of writing), *opinion vacated in part on*
21 *reconsideration*, 682 F.3d 1003 (Fed. Cir. 2012), and *vacated in part on reh'g en*
22 *banc*, 4576 F. App'x. 747 (Fed. Cir. 2012).

23 Given this applicable precedent, when Zeroclick, LLC executed an
24 assignment of the patents-in-suit in 2017, that assignment was effective to transfer
25 the patents to Dr. Irvine even without his signature. The Court raised the question
26 in its Order of the effect of the termination of Zeroclick, LLC in December 2017
27 (Dkt. # 129 at 8). Any assignment in September 2017 (executed August 30) would,
28 of course, predate such a termination, in which case the termination would have no

1 effect. The patents-in-suit were assigned to Dr. Irvine in 2017 and he executed no
2 subsequent assignment of them, prior to the January 2020 assignment to Zeroclick,
3 LLC (Zeroclick II).

4 **B. Transfer By July 2019 Agreement**

5 As noted previously, Dr. Irvine did not countersign the 2017 assignment of
6 the patents-in-suit. The relevant precedent cited above indicates that such a
7 signature was not necessary to effect the transfer. However, to the extent the Court
8 finds that the patents-in-suit were not transferred to Dr. Irvine by operation of the
9 August 2017 Assignment, they were subsequently transferred to Dr. Irvine by the
10 July 2019 Transfer Agreement as Amended and Restated by the parties to that
11 agreement.

12 The Court has previously considered the July 2019 Transfer Agreement in its
13 Order and noted the concern that the agreement to transfer the entity Zeroclick, LLC
14 may not have been effective to transfer the patents-in-suit because Zeroclick, LLC
15 (Zeroclick I) had previously been terminated as a Texas Limited Liability Company.
16 Dkt. # 129 at 8. However, the intent of both parties to the July 2019 Agreement was
17 that the patents-in-suit be transferred to Dr. Irvine, to the extent that they had not
18 already been transferred by the 2017 Assignment.

19 To address the issues raised by the Court, the parties have executed an
20 Amendment and Restatement of Transfer of Ownership Agreement to clarify that
21 July 2019 Agreement. Ledahl Supp. Decl., Ex. D. As noted previously, the Transfer
22 of Ownership Agreement was between Granicus IP, LLC (the sole member of
23 Zeroclick I), and Dr. Irvine. The Amendment and Restatement confirms that
24 Zeroclick LLC intended to assign all rights in the patents-in-suit to Dr. Irvine in
25 2017. It further confirms that the intent of both parties was that to the extent any
26 interest in the patents-in-suit had not previously been transferred to Dr. Irvine, such
27 interest was transferred in the July 2019 Agreement.

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1 The Court noted in its Order that by operation of law, the assets of Zeroclick,
 2 LLC (Zeroclick I) would flow to its sole member upon its termination. As noted
 3 previously, that sole member was Granicus IP, LLC. To the extent that the patent
 4 assets themselves were not transferred to Dr. Irvine by the 2017 assignment, then
 5 they became the property of Granicus IP, LLC upon the termination of Zeroclick I.
 6 But if this was the case, then they were held by Granicus IP, LLC at the time of the
 7 2019 Transfer of Ownership Agreement. Granicus confirmed in the Amendment
 8 and Restatement of the Transfer of Ownership Agreement that the intent of the
 9 agreement was to transfer any such assets to Dr. Irvine and that they were transferred
 10 effective July 30, 2019.¹ Thus, to the extent the patents-in-suit were not transferred
 11 by Zeroclick I to Dr. Irvine in 2017, then they were transferred by Granicus IP, LLC
 12 to Dr. Irvine in July 2019.

13 **C. In Either Event, Dr. Irvine Owned The Patents-In-Suit in January
 14 2020**

15 As discussed, above, the patents-in-suit were either transferred to Dr. Irvine
 16 by Zeroclick I in 2017 (prior to the termination of Zeroclick I), or they were
 17 transferred to Dr. Irvine by Granicus IP, LLC, the sole member of Zeroclick I, in
 18 July 2019. In either event, Dr. Irvine has not executed other transfers of the patents-
 19 in-suit, except to transfer them to Zeroclick, LLC (Zeroclick II). Thus, whether
 20 transferred in 2017 or 2019, Dr. Irvine received full ownership of all rights in the
 21 patents-in-suit before executing the assignment of those patents to Zeroclick II in
 22 January 2020.

23 **III. SUBSTITUTION OF ZEROCLICK II IS THE APPROPRIATE
 24 RESULT**

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¹ To the extent Apple contends that the agreement between Granicus and Dr. Irvine cannot be
 27 clarified, such arguments have previously been rejected by the Courts. *See, e.g., Technology*
Properties Ltd. LLC v. Canon Inc., 2016 WL 3361846, *4 (N.D. Cal. June 17, 2016) (Wilken, J.,
 28 holding that a standing defect arising during litigation could be cured and allowing parties to a
 transfer agreement to amend the agreement to cure standing defect).

1 As discussed above, all right, title, and interest in the patents-in-suit passed to
2 Dr. Irvine, either in 2017 through the assignment executed by Zeroclick I, or in 2019
3 through the Transfer of Ownership Agreement as Amended and Restated. In either
4 event, subsequent to obtaining those rights, Dr. Irvine assigned the patents-in-suit to
5 Zeroclick, LLC (Zeroclick II) in January 2020. Thus, Zeroclick, LLC (Zeroclick II)
6 is the patentee with the full right to maintain this action for infringement of the
7 patents-in-suit. Under such circumstances, the appropriate action for this Court is to
8 substitute Zeroclick II as the party plaintiff consistent with the governing case
9 authority. *See Schreiber Foods, Inc. v. Beatrice Cheese, Inc.*, 402 F.3d 1198, 1203-
10 1204 (Fed. Cir. 2005); *see also Uniloc USA Inc. v. LG Electronics U.S.A. Inc.*, 2019
11 WL 690290, *1-2 (N.D. Cal., Feb. 19, 2019) (Tigar, J., holding that substitution of
12 parties due to transfer during litigation was appropriate); *Technology Properties Ltd.*
13 *LLC v. Canon Inc.*, 2016 WL 3361846, *4 (N.D. Cal. June 17, 2016) (Wilken, J.,
14 holding that a standing defect arising during litigation could be cured and allowing
15 parties to a transfer agreement to amend the agreement to cure standing defect);
16 *Abbot Labs. V. Roxane Labs., Inc.*, 2013 WL 2322770, *5-13 (D. Del. May 28, 2013)
17 (allowing substitution of party to replace transferor with transferee); *Biovail Labs.,*
18 *Inc. v. Abrika, LLLP*, 2005 WL 8154800, *2-4 (S.D. Fla. June 27, 2005) (holding
19 that standing issue created by transfer during litigation could be cured through
20 amendment); *LBS Innovations LLC v. Aaron Brothers, Inc.*, 20212 WL 12897918,
21 *1-2 (E.D. Tex. Sep. 20, 2012) (granting substitution of transferee as plaintiff in
22 favor of transferor).

23 **IV. CONCLUSION**

24 In light of the fact that the patents-in-suit were assigned to Dr. Irvine prior to
25 his assignment of those patents to Zeroclick II, any standing defect raised by Apple
26 is properly cured by substitution of Zeroclick, LLC (Zeroclick II) as the party
27 plaintiff in this action. Zeroclick respectfully requests that the Court enter such a
28 substitution and deny Apple's motion to dismiss.

1 Dated: May 14, 2020
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Respectfully submitted,

3 /s/ Brian D. Ledahl

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DECLARATION OF BRIAN LEDAHL

I, Brian Ledahl, declare and state as follows:

1. I am a member of the State Bar of California and an attorney at the firm of Russ, August & Kabat, counsel of record for the Plaintiff in the above-captioned action. I have personal knowledge of the facts set forth herein, and if called upon to testify, could and would testify competently thereto.

2. Attached hereto as Exhibit A is a true and correct copy of an Assignment Agreement and Patent Assignment from Zeroclick, LLC to Dr. Nes Irvine, produced in this action at ZEROCLICK 004689-004696.

3. Attached hereto as Exhibit B is a true and correct copy of an Agreement terminating a license of foreign patent rights from Dr. Irvine to Zeroclick LLC, produced in this action at ZEROCLICK 004697-004699.

4. Attached hereto as Exhibit C is a true and correct copy of an excerpt of the deposition of Dr. Nes Irvine.

5. Attached hereto as Exhibit D is a true and correct copy of an Amendment and Restatement of Transfer of Ownership Agreement Zeroclick, LLC, produced in this action at ZEROCLICK 004700-004702.

I declare under penalty of perjury pursuant to the laws of the United States that the foregoing is true and correct.

Executed this 14th day of May, 2020 at Pasadena, California.

By: /s/ Brian D. Ledahl

Brian D. Ledahl

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a) on May 14, 2020. As such, this document was served on all counsel who have consented to electronic service.

/s/ Brian D. Ledahl
Brian D. Ledahl

RUSS, AUGUST & KABAT